



February 24, 2005

Via Federal Express

Terence Dunn
Interarts Productions, Inc.
1007 Montana Avenue
Suite 707
Santa Monica, CA 90403

Dear Mr. Dunn:

I am the General Counsel of DreamWorks Animation SKG, Inc. ("DreamWorks Animation"). Your letter to Walter Parkes, dated February 17, 2005, has been forwarded to me for response. At the present time, we are investigating the allegations that you have made in your letter, but I wanted to send a response acknowledging receipt of your letter. I will respond further, after I have been able to assemble all of the facts regarding this matter. In order to facilitate my research it would be useful if you would provide me with any additional information you have concerning the communications you have had with employees of DreamWorks Animation or DreamWorks Studios regarding "the concept of a panda bear doing martial arts" or your work, including the dates of such communications and detailed descriptions of what was discussed and what you provided. You can send me this information in writing either by letter or email (kkendrick@dreamworksanimation.com).

Of course, I must reserve DreamWorks Animation's rights, as this does not constitute a complete statement of the facts or DreamWorks Animation's position concerning this matter, nor of DreamWorks Animation's legal or equitable claims, causes of action, allegations and/or defenses, all of which are hereby reserved. Nothing contained in or omitted from this letter may be construed to be an admission by DreamWorks Animation or a waiver of any of its rights or defenses.

Very truly yours,

A handwritten signature in black ink that reads "Katherine Kendrick". The signature is written in a cursive, flowing style.

Katherine Kendrick

cc: Walter Parkes